GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

UNSTARRED QUESTION NO:4389
ANSWERED ON:08.05.2007
POWERLOOM OWNERS
Reddy Shri Karunakara G.

Will the Minister of TEXTILES be pleased to state:

(a) whether powerloom owners are facing many problems in the country specially in Karnataka;

(b) if so, the details thereof, State and Union Territory wise;

(c) whether the Government proposes to solve the problems of powerloom owners in the country; and

(d) if so, the details thereof?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF TEXTILES (SHRI E.V.K.S. ELANGOVAN)

(a)& (b) : No specific problems have been received from the powerloom owners. However, the general difficulties of this sector are no different from those faced by the Textile sector in general. These include non availability of 100% power, a high rate of power tariff in some of the states, difficulty in getting loans from the banks, increase in cost of production of silk fabrics, illegal entry of silk fabrics from neighboring countries, etc. However, fabric production by powerloom sector has been increasing steadily.

(c)&(d): Government has taken various measures for the development of the decentralised powerloom industry by way of modernisation / technology up gradation. Government launched the Technology Upgradation Fund Scheme (TUFS) for the Textiles and Jute industries w.e.f. 1.04.1999.

The Scheme provides 5% interest reimbursement on rupee term loan and exchange rate fluctuation/ forward cover premium, limited to 5% for foreign currency loan availed for a project in conformity with the scheme. An option of 15% Credit Linked Capital Subsidy (CLCS) in lieu of 5% interest on TUFS has been provided to the small-scale textile/ jute industry under the scheme. The Government has also provided an additional option to powerloom units to avail of 20% capital subsidy under TUFS in lieu of 5% interest re-imbursement/ 15% CLCS. The capital ceiling for machinery has been increased from Rs. 60.00 lakh to Rs. 1.00 crore for the decentralised powerloom sector. The response to this scheme has been very encouraging. There has been a large increase in the subsidy amount released during 2006-07 compared to 2005-06.

[Rs. in Lakh]

	Application received		Disbursed	
	No.	Amount (cost of machinery)	No.	Amount (subsidy amount)
2003-04	004	000.48	004	00.10
2004-05	323	083.86	150	06.00
2005-06	564	201.03	368	23.00
2006-07 (as on 30.03.2007)	863	353.23	827	59.86
Total	1,754	638.6	1,349	88.96